

**Senate File 2356 - Introduced**

SENATE FILE 2356  
BY COMMITTEE ON HUMAN  
RESOURCES

(SUCCESSOR TO SF 2092)

**A BILL FOR**

1 An Act relating to health reform in Iowa by creating an  
2 IowaCare plus program and an Iowa insurance information  
3 exchange.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

IOWACARE PLUS PROGRAM

Section 1. NEW SECTION. 217A.1 Title.

This chapter shall be known and may be cited as the "*IowaCare Plus Act*".

Sec. 2. NEW SECTION. 217A.2 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Department*" means the department of human services.

2. "*Director*" means the director of human services.

3. "*Eligible individual*" means an individual who meets the eligibility requirements in section 217A.4.

4. "*Federal poverty level*" means the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

5. "*Full benefit recipient rate*" means the rate paid to a provider for an adult who is eligible for full medical assistance benefits pursuant to chapter 249A under any category of eligibility.

6. "*Fund*" means the IowaCare plus trust fund created in section 217A.8.

7. "*Iowa Medicaid enterprise*" means the Iowa Medicaid enterprise as defined in section 249J.3.

8. "*IowaCare plus member*" or "*member*" means an IowaCare plus member with active eligibility status.

9. "*Premium assistance payment*" means a premium payment made on behalf of a member in the program, under a schedule established by the department.

10. "*Program*" means the IowaCare plus program created in this chapter.

Sec. 3. NEW SECTION. 217A.3 Purposes — principles — administration.

1. An IowaCare plus program shall be created to do all of the following:

- 1     *a.* To improve the health of adults in the state.
- 2     *b.* To improve the quality of health care and access to  
3 health care in the state.
- 4     *c.* To provide health care coverage to adults in the state  
5 who would otherwise be uninsured.
- 6     *d.* To increase the range of health care coverage options  
7 available to Iowans.
- 8     *e.* To slow the growth of per capita health care spending.
- 9     *f.* To serve as a model for reforming the health care  
10 delivery system.
- 11     2. The IowaCare plus program shall be established and  
12 administered in accordance with the following guiding health  
13 care coverage reform principles:
  - 14     *a.* Health care coverage should be accessible.
  - 15     *b.* Health care coverage should be continuous.
  - 16     *c.* Health care coverage should be affordable to individuals  
17 and families.
  - 18     *d.* The provision of health care coverage should be  
19 sustainable for Iowa.
  - 20     *e.* Health care coverage should enhance health and well-being  
21 by promoting access to high-quality care that is effective,  
22 efficient, safe, timely, patient-centered, and equitable.
- 23     3. *a.* The program shall be administered by the Iowa  
24 Medicaid enterprise.
  - 25     *b.* The program shall be administered consistent with the  
26 Iowa medical assistance program. State and federal laws, rules  
27 and regulations applicable to the Iowa medical assistance  
28 program pursuant to chapter 249A and 42 C.F.R. pts. 430  
29 through 456 shall apply to the IowaCare plus program, with the  
30 exception of benefits and eligibility provisions inconsistent  
31 with sections 217A.4 and 217A.5.
  - 32     *c.* The provisions of this chapter shall not be construed,  
33 are not intended as, and shall not imply a grant of entitlement  
34 for services to individuals who are eligible for assistance  
35 under this chapter or for utilization of services that do

1 not exist or are not otherwise available on July 1, 2010.  
2 Any state obligation to provide services pursuant to this  
3 chapter is limited to the extent of the funds appropriated or  
4 distributed for the purposes of this chapter.

5 *d.* All agencies and offices of the state, or of any  
6 political subdivision of the state, shall fully cooperate with  
7 the Iowa Medicaid enterprise and the department in carrying out  
8 the purposes of this section.

9 **Sec. 4. NEW SECTION. 217A.4 IowaCare plus — eligibility.**

10 1. Except as otherwise provided in this chapter, an  
11 individual nineteen through sixty-four years of age shall be  
12 eligible for the membership benefits described in section  
13 217A.5 when provided through the regional provider network as  
14 described in section 217A.6, if the individual meets all of the  
15 following conditions:

16 *a.* The individual is not eligible for health care coverage  
17 under any other public program or through group or individual  
18 health insurance, or health care coverage offered through group  
19 or individual health insurance is not affordable.

20 *b.* The individual has a family income above two hundred  
21 percent but not in excess of three hundred percent of the  
22 federal poverty level.

23 *c.* The individual's or family member's employer has not  
24 provided health insurance coverage in the last six months for  
25 which the individual is eligible and for which the employer  
26 covers at least twenty percent of the annual premium cost of a  
27 family health insurance plan or at least thirty-three percent  
28 of an individual health insurance plan.

29 *d.* The individual has not accepted a financial incentive  
30 from the individual's employer to decline the employer's  
31 subsidized health insurance plan.

32 *e.* The individual fulfills all other conditions of  
33 participation described in this chapter, including requirements  
34 relating to personal financial responsibility.

35 2. Following initial enrollment, an IowaCare plus member

1 shall reenroll annually by the last day of the month preceding  
2 the month in which the member initially enrolled. The  
3 department may provide a process for automatic reenrollment of  
4 members.

5 3. The department shall develop a plan for outreach and  
6 education that is designed to ensure that Iowans are informed  
7 about the program and are encouraged to enroll in the program.  
8 The outreach and education plan shall include a focus on  
9 targeting populations that are underserved by the health care  
10 delivery system.

11 Sec. 5. NEW SECTION. 217A.5 IowaCare plus — benefits.

12 1. IowaCare plus members shall be eligible for all of the  
13 following benefits:

14 a. Inpatient hospital procedures described in the  
15 diagnostic-related group codes or other applicable inpatient  
16 hospital reimbursement methods designated by the department.

17 b. Outpatient hospital services described in the ambulatory  
18 patient groupings or non-inpatient services designated by the  
19 department.

20 c. Physician and advanced registered nurse practitioner  
21 services described in the current procedural terminology codes  
22 specified by the department.

23 d. Dental services described in the dental codes specified  
24 by the department.

25 e. Limited pharmacy benefits as specified by the department.

26 f. Primary care coordination.

27 g. Podiatry services.

28 2. a. Each member shall receive a comprehensive medical  
29 examination annually. The department may implement a  
30 web-based health risk assessment for members that may include  
31 facilitation, if deemed to be cost-effective to the program.

32 b. Refusal of a member to participate in a comprehensive  
33 medical examination or any health risk assessment implemented  
34 by the department shall not be a basis for ineligibility for or  
35 disenrollment from the program.

1     **Sec. 6. NEW SECTION. 217A.6 Regional provider network.**

2     1. The department shall establish a regional provider  
3 network and shall enter into contracts or 28E agreements with  
4 providers specified for participation in the network. The  
5 regional provider network shall include all of the following:

6     *a.* Providers designated by the department who are part of  
7 the Iowa collaborative safety net provider network established  
8 pursuant to section 135.153.

9     *b.* The publicly owned acute care teaching hospital located  
10 in a county with a population over three hundred fifty thousand  
11 and the university of Iowa hospitals and clinics, that are part  
12 of the expansion population provider network as specified in  
13 section 249J.7.

14     *c.* Hospitals designated by the department.

15     *d.* Other health care providers designated by the department  
16 as necessary to provide regional access to the benefits  
17 specified under section 217A.5.

18     2. The department may designate specific providers within a  
19 region for the provision of primary, specialty, and tertiary  
20 care.

21     3. The department shall provide for reimbursement of  
22 nonparticipating providers for covered services under the  
23 IowaCare plus program in accordance with section 249J.24A.

24     4. All members shall receive benefits described in section  
25 217A.5 through a medical home. The department shall adopt  
26 rules pursuant to chapter 17A, in collaboration with the  
27 medical home advisory council created pursuant to section  
28 135.159, specifying requirements for medical homes including  
29 certification, with which participating providers shall comply,  
30 as appropriate.

31     5. The department may develop a payment rate methodology to  
32 support the medical home requirement.

33     **Sec. 7. NEW SECTION. 217A.7 Financial participation.**

34     1. The department shall adopt rules pursuant to chapter  
35 17A to establish all cost-sharing requirements of the

1 program, including any premiums, deductibles, and copayment  
2 amounts. Cost-sharing shall be based on a sliding scale. Any  
3 cost-sharing requirements for IowaCare plus members whose  
4 family income exceeds two hundred percent but does not exceed  
5 three hundred percent of the federal poverty level shall meet  
6 the percentage standards for affordability established pursuant  
7 to 2009 Iowa Acts, chapter 118, section 1, subsection 4,  
8 paragraph "c".

9 2. Each IowaCare plus member whose family income exceeds  
10 two hundred percent but does not exceed three hundred percent  
11 of the federal poverty level may be eligible for a premium  
12 assistance payment as specified by rule of the department.

13 3. If an eligible individual has access to health care  
14 coverage through the individual's employer, but such health  
15 care coverage is not affordable, the program may pay the  
16 employee share of the premium up to the amount that the  
17 program would subsidize the member through the program, if  
18 cost-effective to the program.

19 4. Premiums collected pursuant to this section shall be  
20 deposited in the IowaCare plus trust fund created in section  
21 217A.8.

22 **Sec. 8. NEW SECTION. 217A.8 IowaCare plus trust fund.**

23 1. An IowaCare plus trust fund is created in the state  
24 treasury under the authority of the department. Moneys  
25 appropriated from the general fund of the state to the fund,  
26 moneys collected as premiums pursuant to section 217A.7, and  
27 moneys from any other source credited to the fund shall be  
28 deposited in the fund. Moneys deposited in or credited to the  
29 fund shall be used only as provided in appropriations from the  
30 fund for the purpose of the IowaCare plus program.

31 2. The fund shall be separate from the general fund of the  
32 state and shall not be considered part of the general fund of  
33 the state. The moneys in the fund shall not be considered  
34 revenue of the state, but rather shall be moneys of the fund.  
35 The moneys in the fund are not subject to section 8.33 and

1 shall not be transferred, used, obligated, appropriated, or  
2 otherwise encumbered, except to provide for the purposes of  
3 this chapter. Notwithstanding section 12C.7, subsection 2,  
4 interest or earnings on moneys deposited in the fund shall be  
5 credited to the fund.

6 3. The department shall adopt rules pursuant to chapter 17A  
7 to administer the fund.

8 Sec. 9. NEW SECTION. **217A.9 Contingent implementation.**

9 Implementation of this chapter is contingent upon the  
10 availability of funding as determined by the director and as  
11 stipulated in rules.

12 Sec. 10. Section 249J.6, subsection 1, Code 2009, is amended  
13 by adding the following new paragraph:

14 NEW PARAGRAPH. *g.* Podiatry services.

15 Sec. 11. Section 249J.7, Code 2009, is amended to read as  
16 follows:

17 **249J.7 Expansion population provider network.**

18 1. *a.* Expansion population members shall only be eligible  
19 to receive expansion population services through a provider  
20 included in the expansion population provider network. Except  
21 as otherwise provided in this chapter, the expansion population  
22 provider network shall be limited to a publicly owned acute  
23 care teaching hospital located in a county with a population  
24 over three hundred fifty thousand, the university of Iowa  
25 hospitals and clinics, ~~and the state hospitals for persons~~  
26 ~~with mental illness designated pursuant to section 226.1 with~~  
27 ~~the exception of the programs at such state hospitals for~~  
28 ~~persons with mental illness that provide substance abuse~~  
29 ~~treatment, serve gero-psychiatric patients, or treat sexually~~  
30 ~~violent predators and a regional provider network utilizing the~~  
31 federally qualified health centers, to provide primary care to  
32 members.

33 *b.* (1) The department shall develop a plan to phase-in  
34 the regional provider network by determining the most highly  
35 underserved areas on a statewide and regional basis, and

1 targeting these areas for prioritization in implementing the  
2 regional provider network.

3 (2) Payment shall only be made to designated participating  
4 primary care providers for eligible primary care services  
5 provided to a member.

6 (3) The department shall adopt rules pursuant to chapter  
7 17A, in collaboration with the medical home advisory council  
8 created pursuant to section 135.159, specifying requirements  
9 for medical homes including certification, with which regional  
10 provider network participating providers shall comply, as  
11 appropriate.

12 (4) The department may also designate other private  
13 providers and hospitals to participate in the regional provider  
14 network, to provide primary and specialty care, subject to the  
15 availability of funds.

16 c. Tertiary care shall be provided to eligible expansion  
17 population members residing in any county in the state at the  
18 university of Iowa hospitals and clinics.

19 d. Until such time as the publicly owned acute care  
20 teaching hospital located in a county with a population over  
21 three hundred fifty thousand notifies the department that such  
22 hospital has reached service capacity or has exceeded the  
23 statutorily authorized amount of funding as determined and  
24 appropriated on an annual basis, the hospital shall remain the  
25 only expansion population provider for the residents of such  
26 county.

27 2. Expansion population services provided to expansion  
28 population members by providers included in the expansion  
29 population provider network shall be payable at the full  
30 benefit recipient rates.

31 3. Providers included in the expansion population provider  
32 network shall submit clean claims within twenty days of the  
33 date of provision of an expansion population service to an  
34 expansion population member.

35 4. Unless otherwise prohibited by law, a provider under

1 the expansion population provider network may deny care to  
2 an individual who refuses to apply for coverage under the  
3 expansion population.

4 5. Notwithstanding the provision of section 347.16,  
5 subsection 2, requiring the provision of free care and  
6 treatment to the persons described in that subsection, the  
7 publicly owned acute care teaching hospital described in  
8 subsection 1 may require any sick or injured person seeking  
9 care or treatment at that hospital to be subject to financial  
10 participation, including but not limited to copayments  
11 or premiums, and may deny nonemergent care or treatment  
12 to any person who refuses to be subject to such financial  
13 participation.

14 6. The department shall utilize certified public  
15 expenditures at the university of Iowa hospitals and clinics to  
16 maximize the availability of state funding to provide necessary  
17 access to both local primary and specialty physician care to  
18 expansion population members. The department shall determine,  
19 in collaboration with the university of Iowa hospitals and  
20 clinics and the Iowa collaborative safety net provider network  
21 established pursuant to section 135.153, the maximum amount  
22 of expenditures that can be claimed using certified public  
23 expenditures by the university of Iowa hospitals and clinics  
24 within the existing budget neutrality cap. Any federal funds  
25 received as matching funds, based on the amount of certified  
26 public expenditures determined, shall be allocated one-half to  
27 the university of Iowa college of medicine for reimbursement of  
28 physician services provided to expansion population members,  
29 three-eighths to the providers designated to participate in  
30 the regional provider network to offset the costs incurred in  
31 providing eligible services to expansion population members,  
32 and one-eighth for deposit in the nonparticipating provider  
33 reimbursement fund created in section 249J.24A to be used in  
34 accordance with the purposes and requirements of the fund to  
35 offset the costs incurred in providing eligible services to

1 expansion population members.

2 7. The department shall adopt rules to establish clinical  
3 transfer protocols to be used by providers included in the  
4 expansion population provider network.

5 Sec. 12. Section 263.18, subsection 4, Code 2009, is amended  
6 to read as follows:

7 4. The physicians and surgeons on the staff of the  
8 university of Iowa hospitals and clinics who care for patients  
9 provided for in this section may charge for the medical  
10 services provided under such rules, regulations, and plans  
11 approved by the state board of regents. However, a physician  
12 or surgeon who provides treatment or care for an expansion  
13 population member pursuant to chapter 249J shall ~~not charge~~  
14 ~~or only~~ receive any compensation for the treatment or care  
15 ~~except the salary or compensation fixed by the state board~~  
16 ~~of regents to be paid from the hospital fund~~ provided in  
17 accordance with section 249J.7.

18 Sec. 13. REVIEW OF MEDICAL TRANSPORTATION COSTS FOR  
19 IOWACARE. The department of human services shall review the  
20 costs of transportation to and from a provider included in  
21 the expansion population provider network under the IowaCare  
22 program. The department shall report the results of the review  
23 to the general assembly by December 15, 2010.

24 Sec. 14. DIABETES — PLAN FOR COORDINATION OF CARE. The  
25 department of public health shall work with all appropriate  
26 entities to develop a plan for coordination of care for  
27 individuals with diabetes who receive care through community  
28 health centers, rural health clinics, free clinics, and other  
29 members of the Iowa collaborative safety net provider network  
30 established pursuant to section 135.153, as determined by the  
31 department. The plan may include provisions to establish a  
32 diabetic registry, to provide access to medically necessary  
33 drugs through entities such as the Iowa prescription drug  
34 corporation, and to collect data as necessary to assist the  
35 affected medical providers in tracking and improving the care

1 of their patients with diabetes, while also informing future  
2 public policy decision makers regarding improved care for  
3 individuals with diabetes, notwithstanding an individual's  
4 health care coverage status or choice of health care provider.

5 Sec. 15. IOWACARE — EXTENSION OF WAIVER. The department  
6 of human services shall amend the extension proposal for the  
7 IowaCare section 1115 demonstration waiver and shall submit  
8 applicable state plan amendments under the medical assistance  
9 program to provide expansion population services through the  
10 expansion population network pursuant to section 249J.7, as  
11 amended by this Act, within the budget neutrality cap and  
12 subject to availability of state matching funds.

13 DIVISION II

14 IOWA INSURANCE INFORMATION EXCHANGE

15 Sec. 16. NEW SECTION. 514M.1 Short title.

16 This chapter shall be known and may be cited as the "*Iowa*  
17 *Insurance Information Exchange Act*".

18 Sec. 17. NEW SECTION. 514M.2 Purposes.

19 The purposes of this chapter include but are not limited to  
20 the following:

21 1. To provide an information clearinghouse where all  
22 Iowans can obtain information about health care coverage that  
23 is available in the state including comparisons of benefits,  
24 premiums, and out-of-pocket costs and where the uninsured can  
25 receive assistance regarding health care coverage.

26 2. To expand transparency concerning the quality of care and  
27 pricing of health care services.

28 Sec. 18. NEW SECTION. 514M.3 Definitions.

29 As used in this chapter, unless the context otherwise  
30 requires:

31 1. "*Board*" means the board of directors of the Iowa  
32 insurance information exchange.

33 2. "*Carrier*" means an insurer providing accident and  
34 sickness insurance under chapter 509, 514, or 514A and  
35 includes a health maintenance organization established under

1 chapter 514B if payments received by the health maintenance  
2 organization are considered premiums pursuant to section  
3 514B.31 and are taxed under chapter 432. "*Carrier*" also  
4 includes a corporation which becomes a mutual insurer pursuant  
5 to section 514.23 and any other person as defined in section  
6 4.1, who is or may become liable for the tax imposed by chapter  
7 432.

8 3. "*Commissioner*" means the commissioner of insurance.

9 4. "*Creditable coverage*" means the same as defined in  
10 section 513B.2.

11 5. "*Director*" means the director of revenue.

12 6. "*Exchange*" means the Iowa insurance information exchange.

13 7. "*Executive director*" means the executive director of the  
14 Iowa insurance information exchange.

15 8. "*Group health plan*" means the same as defined in section  
16 513B.2.

17 9. "*Health care services*" means services, the coverage of  
18 which is authorized under chapter 509, 514, 514A, or 514B and  
19 includes services for the purposes of preventing, alleviating,  
20 curing, or healing human illness, injury, or physical  
21 disability.

22 10. "*Health insurance*" means accident and sickness insurance  
23 authorized by chapter 509, 514, or 514A.

24 11. a. "*Health insurance coverage*" means health insurance  
25 coverage offered to individuals.

26 b. "*Health insurance coverage*" does not include any of the  
27 following:

28 (1) Coverage for accident-only or disability income  
29 insurance.

30 (2) Coverage issued as a supplement to liability insurance.

31 (3) Liability insurance, including general liability  
32 insurance and automobile liability insurance.

33 (4) Workers' compensation or similar insurance.

34 (5) Automobile medical-payment insurance.

35 (6) Credit-only insurance.

1 (7) Coverage for on-site medical clinic care.

2 (8) Other similar insurance coverage, specified in  
3 federal regulations, under which benefits for medical care  
4 are secondary or incidental to other insurance coverage or  
5 benefits.

6 *c.* "Health insurance coverage" does not include benefits  
7 provided under a separate policy as follows:

8 (1) Limited-scope dental or vision benefits.

9 (2) Benefits for long-term care, nursing home care, home  
10 health care, or community-based care.

11 (3) Any other similar limited benefits as provided by rule  
12 of the commissioner.

13 *d.* "Health insurance coverage" does not include benefits  
14 offered as independent noncoordinated benefits as follows:

15 (1) Coverage only for a specified disease or illness.

16 (2) A hospital indemnity or other fixed indemnity  
17 insurance.

18 *e.* "Health insurance coverage" does not include Medicare  
19 supplemental health insurance as defined under section  
20 1882(g)(1) of the federal Social Security Act, coverage  
21 supplemental to the coverage provided under 10 U.S.C. ch. 55  
22 and similar supplemental coverage provided to coverage under  
23 group health insurance coverage.

24 12. "Medical assistance program" means the federal-state  
25 assistance program established under Tit. XIX of the federal  
26 Social Security Act and chapter 249A.

27 13. "Medicare" means the federal government health insurance  
28 program established under Tit. XVIII of the federal Social  
29 Security Act.

30 14. "Organized delivery system" means an organized delivery  
31 system as licensed by the director of public health.

32 Sec. 19. NEW SECTION. 514M.4 Iowa insurance information  
33 exchange created — board of directors.

34 1. An Iowa insurance information exchange is created as  
35 a nonprofit corporation under the purview of the insurance

1 division of the department of commerce.

2     *a.* All carriers and all organized delivery systems licensed  
3 by the director of public health providing health insurance or  
4 health care services in Iowa, whether on an individual or group  
5 basis, and all other insurers designated by the exchange's  
6 board of directors and approved by the commissioner shall be  
7 members of the exchange.

8     *b.* The exchange shall operate under a plan of operation  
9 established and approved under section 514M.5 and shall  
10 exercise its powers through a board of directors established  
11 under this section.

12     2. The board of directors of the exchange shall consist of  
13 the following members:

14     *a.* The following persons who are voting members of the board  
15 appointed by the governor and subject to confirmation by the  
16 senate:

17         (1) A health care academic with a background in economics,  
18 law, or public health.

19         (2) An executive of a carrier.

20         (3) A health benefits manager of a company.

21         (4) A health care analyst representing a public or private  
22 employee bargaining unit.

23         (5) A health care analyst representing an organized  
24 consumer group.

25         (6) A health care provider.

26         (7) An insurance agent.

27     *b.* The following persons who are ex officio, nonvoting  
28 members of the board:

29         (1) The commissioner of insurance, or a designee.

30         (2) The Iowa Medicaid director, or a designee.

31         (3) Four members of the general assembly, one appointed  
32 by the speaker of the house of representatives, one appointed  
33 by the minority leader of the house of representatives,  
34 one appointed by the majority leader of the senate, and one  
35 appointed by the minority leader of the senate.

1     *c.* Each member of the board appointed by the governor shall  
2 be a resident of this state and the composition of voting  
3 members of the board shall be in compliance with sections  
4 69.16, 69.16A, and 69.16C.

5     *d.* The voting members of the board shall be appointed for  
6 terms of six years beginning and ending as provided in section  
7 69.19. A member of the board is eligible for reappointment.  
8 The governor shall fill a vacancy for the remainder of the  
9 unexpired term. A member of the board may be removed by the  
10 governor for misfeasance, malfeasance, or willful neglect of  
11 duty or other cause after notice and a public hearing unless  
12 the notice and hearing are waived by the member in writing.

13     *e.* The voting members of the board shall annually elect one  
14 of the members as chairperson and one as vice chairperson.

15     *f.* A majority of the voting members of the board constitutes  
16 a quorum. The affirmative vote of a majority of the voting  
17 members is necessary for any action taken by the board.  
18 The majority shall not include a member who has a conflict  
19 of interest and a statement by a member of a conflict of  
20 interest is conclusive for this purpose. A vacancy in the  
21 voting membership of the board does not impair the right of a  
22 quorum to exercise the rights and perform the duties of the  
23 board. An action taken by the board under this chapter may be  
24 authorized by resolution at a regular or special meeting and  
25 each resolution may take effect immediately and need not be  
26 published or posted. Meetings of the board shall be held at  
27 the call of the chairperson or at the request of a majority of  
28 the voting members.

29     *g.* Members of the board may be reimbursed from the moneys  
30 of the exchange for expenses incurred by them as members, but  
31 shall not be otherwise compensated by the exchange for their  
32 services.

33     *h.* The voting members of the board shall give bond as  
34 required for public officers in chapter 64.

35     *i.* The members of the board are subject to and are officials

1 within the meaning of chapter 68B.

2 *j.* All employees of the exchange are exempt from chapter 8A,  
3 subchapter IV, and chapter 97B.

4 3. The voting members of the board shall appoint an  
5 executive director to supervise the administrative affairs  
6 and general management and operations of the exchange. The  
7 executive director shall not be a member of the board,  
8 shall serve at the pleasure of the board, and shall receive  
9 compensation as fixed by the board. The executive director  
10 shall keep a record of the proceedings of the board and shall  
11 be custodian of all books, documents, and papers filed with  
12 the board, the minute book or journal of the board, and the  
13 official seal of the board. The executive director may cause  
14 copies to be made of minutes and other records and documents of  
15 the board and may give certificates under the official seal of  
16 the board that the copies are true copies, and persons dealing  
17 with the board may rely upon the certificates.

18 4. The exchange shall be considered a governmental body  
19 for the purposes of chapter 21 and a government body for the  
20 purposes of chapter 22.

21 5. The board may hire independent consultants, as they deem  
22 necessary, to assist them in carrying out the provisions of  
23 this chapter.

24 Sec. 20. NEW SECTION. 514M.5 Plan of operation —  
25 **assessments.**

26 1. The board shall submit to the commissioner a plan  
27 of operation for the exchange and any amendments necessary  
28 or suitable to assure the fair, reasonable, and equitable  
29 administration of the exchange within ninety days after the  
30 appointment of the board. After notice and hearing, the  
31 commissioner shall approve the plan of operation if the plan  
32 is determined to be suitable to assure the fair, reasonable,  
33 and equitable administration of the exchange, and includes a  
34 methodology that may be used to share exchange costs on an  
35 equitable and proportionate basis among the member carriers.

1 In addition to other requirements, the plan of operation shall  
2 provide for all of the following:

3     *a.* The handling and accounting of assets and moneys of the  
4 exchange.

5     *b.* The amount and method of reimbursing expenses of the  
6 members of the board.

7     *c.* Regular times and places for meetings of the board.

8     *d.* Records to be kept of all financial transactions, and the  
9 annual fiscal reporting to the commissioner.

10     *e.* The periodic advertising of the general availability of  
11 health coverage information and assistance from the exchange.

12     *f.* Additional provisions necessary or proper for the  
13 execution of the powers and duties of the exchange.

14     2. The exchange has the general powers and authority  
15 enumerated by this section and pursuant to section 514M.6 and  
16 executed in accordance with the plan of operation approved by  
17 the commissioner under subsection 1.

18     3. Following the close of each calendar year, the exchange  
19 shall determine the net payments received, the expenses of  
20 administration, and the incurred costs of the exchange for  
21 the year. The exchange shall certify the amount of any net  
22 costs for the preceding calendar year to the commissioner  
23 and director of revenue. The net costs may be assessed by  
24 the exchange to all members of the exchange in proportion to  
25 their respective shares of total health insurance premiums  
26 or payments for subscriber contracts received in Iowa during  
27 the second preceding calendar year, coinciding with or ending  
28 during the calendar year or on any other equitable basis as  
29 provided in the plan of operation. In sharing costs, the  
30 exchange may abate or defer in any part the assessment of  
31 a member, if, in the opinion of the board, payment of the  
32 assessment would endanger the ability of the member to fulfill  
33 its contractual obligations. The exchange may also provide  
34 for an initial or interim assessment against members of the  
35 exchange if necessary to assure the financial capability of the

1 exchange to meet the incurred or estimated operating costs of  
2 the exchange until the next calendar year is completed. Net  
3 gains of the exchange, if any, shall be held by the exchange at  
4 interest to offset future costs.

5     *a.* For purposes of this subsection, "*total health insurance*  
6 *premiums*" and "*payments for subscriber contracts*" include,  
7 without limitation, premiums or other amounts paid to or  
8 received by a member for individual and group health plan  
9 coverage provided under any chapter of the Code or Iowa Acts,  
10 and "*paid losses*" includes, without limitation, claims paid by  
11 a member operating on a self-funded basis for individual and  
12 group health plan coverage provided under any chapter of the  
13 Code or Iowa Acts.

14     *b.* For purposes of calculating and conducting the assessment  
15 under this subsection, the exchange shall have the express  
16 authority to require members to report on an annual basis each  
17 member's total health insurance premiums and payments for  
18 subscriber contracts and paid losses.

19     4. The exchange shall collaborate with the commissioner  
20 of insurance to assure the general accuracy of the financial  
21 data submitted to the exchange, and the exchange shall have  
22 an annual audit of its operations, made by an independent  
23 certified public accountant.

24     5. The exchange is subject to examination by the  
25 commissioner. Not later than April 30 of each year, the board  
26 shall submit to the commissioner a financial report for the  
27 preceding calendar year in a form approved by the commissioner.

28     6. The exchange is subject to oversight by the legislative  
29 fiscal committee of the legislative council. Not later than  
30 April 30 of each year, the board shall submit to the governor,  
31 the speaker of the house of representatives, the majority  
32 leader of the senate, and the legislative fiscal committee a  
33 financial report for the preceding year in a form approved by  
34 the legislative fiscal committee.

35     7. The exchange is exempt from payment of all fees and

1 all taxes levied by this state or any of its political  
2 subdivisions.

3 8. The exchange shall develop and implement a plan of  
4 operation and corresponding timeline detailing action steps  
5 toward implementing this chapter, by rules adopted pursuant to  
6 chapter 17A as provided in section 514M.7.

7 Sec. 21. NEW SECTION. **514M.6 Powers and duties of exchange.**

8 1. The exchange shall develop a system that provides  
9 a portal where uninsured Iowans can receive assistance in  
10 obtaining public or private health care coverage. In doing  
11 so the exchange shall contract with the department of human  
12 services to determine the eligibility of uninsured Iowans for  
13 public programs and to provide assistance with enrollment in  
14 the appropriate public programs. The exchange shall provide  
15 assistance with obtaining private health insurance coverage  
16 that meets certain standards of quality and affordability  
17 to uninsured Iowans who are not eligible for or do not wish  
18 to enroll in public programs. The exchange shall develop  
19 a seamless system that allows individuals to move between  
20 public and private health care coverage, including increasing  
21 opportunities for obtaining creditable coverage.

22 2. The exchange shall establish three categories of  
23 benefits including basic or catastrophic benefits, an  
24 intermediate level of benefits, and comprehensive benefits  
25 coverage, that meet affordability limits established pursuant  
26 to 2009 Iowa Acts ch. 118, section 1, subsection 4, paragraph  
27 "c".

28 3. *a.* The exchange shall establish an information  
29 clearinghouse to provide information to all Iowans about all  
30 public and private health care coverage that is available in  
31 the state including comparisons of benefits, premiums, and  
32 out-of-pocket costs.

33 *b.* The exchange may establish standards to provide uniform  
34 and consistent information about the health care coverage  
35 options offered by each carrier and public program that

1 includes but is not limited to what benefits are covered  
2 and not covered, the amount of coverage for each service,  
3 including copays and deductibles, and any prior authorization  
4 requirements for coverage.

5 c. The exchange may require each carrier, organized delivery  
6 system, and public program to categorize and describe which of  
7 the three levels of benefits each health care coverage option  
8 offered by a carrier, organized delivery system, or public  
9 program provides as set forth in subsection 2.

10 d. The exchange shall provide ongoing information to  
11 taxpayers about the costs of public health care programs to the  
12 state, including the percentage and source of state and federal  
13 funding for the programs.

14 e. The exchange may provide counseling to assist Iowans with  
15 making an informed choice when selecting health care coverage.

16 4. The exchange shall encourage or develop the use of common  
17 definitions for quality of care and pricing of health care  
18 services and develop and implement methodologies that provide  
19 quality and cost data on health care services and health care  
20 coverage offered in the state that is meaningful to consumers,  
21 patients, and purchasers.

22 5. The exchange shall collaborate with, including but not  
23 limited to the department of human services, the department of  
24 public health, the commissioner, health care providers, members  
25 of an organized consumer-purchaser group, members of the Iowa  
26 collaborative safety net provider network, and carriers to  
27 carry out the duties of the exchange including dissemination  
28 of information about the services offered by the exchange to  
29 the public.

30 Sec. 22. NEW SECTION. 514M.7 Rules.

31 The board shall adopt rules pursuant to chapter 17A to  
32 implement the provisions of this chapter.

33 Sec. 23. NEW SECTION. 514M.8 Iowa insurance information  
34 exchange fund created.

35 1. An Iowa insurance information exchange fund is created in

1 the state treasury as a separate fund under the control of the  
2 exchange. All moneys appropriated or transferred to the fund  
3 shall be credited to the fund. All moneys deposited or paid  
4 into the fund shall only be appropriated to the exchange to be  
5 used for the purposes set forth in this chapter.

6 2. Notwithstanding section 8.33, any balance in the fund  
7 on June 30 of each fiscal year shall not revert to the general  
8 fund of the state, but shall be available for purposes of  
9 this chapter in subsequent fiscal years. Notwithstanding  
10 section 12C.7, interest earnings on moneys in the fund shall  
11 be credited to the fund.

12 Sec. 24. NEW SECTION. 514M.9 Collective action — immunity.

13 The participation by carriers or members in the exchange  
14 or any joint or collective action required by this chapter  
15 shall not be the basis of any legal civil action, or criminal  
16 liability against the exchange or members of it either jointly  
17 or separately.

18 Sec. 25. NEW SECTION. 514M.10 Contingent implementation.

19 Implementation of this chapter is contingent upon the  
20 availability of funding as determined by the commissioner and  
21 stipulated in rules adopted by the commissioner.

22 Sec. 26. INITIAL MEMBERS OF BOARD OF DIRECTORS OF THE IOWA  
23 INSURANCE INFORMATION EXCHANGE. The initial voting members  
24 of the board of directors of the Iowa insurance information  
25 exchange shall be appointed within thirty days after the  
26 implementation date of this division of this Act.

27 EXPLANATION

28 DIVISION I — IOWACARE PLUS PROGRAM. New Code chapter 217A  
29 creates the IowaCare plus program based on specified purposes  
30 and principles. The program is to be administered by the  
31 Iowa Medicaid enterprise. The division specifies eligibility  
32 criteria for the program including that an individual must be  
33 between 19 through 64 years of age and have a family income  
34 above 200 percent but not in excess of 300 percent of the  
35 federal poverty level. The division specifies the benefits

1 under the program including inpatient hospital services,  
2 outpatient hospital services, physician and advanced registered  
3 nurse practitioner services, dental services, limited pharmacy  
4 benefits, primary care coordination, and providing services.  
5 The division directs the department of human services (DHS)  
6 to establish a regional provider network to provide services  
7 under the program utilizing the university of Iowa hospitals  
8 and clinics and Broadlawns medical center as current expansion  
9 population provider network, the Iowa collaborative safety net  
10 provider network, private providers, and hospitals as specified  
11 by the department. The department is also required to provide  
12 for reimbursement of nonparticipating providers for covered  
13 services in accordance with the existing nonparticipating  
14 provider reimbursement fund. For the purposes of that fund,  
15 "nonparticipating provider" means a licensed hospital that is  
16 not a member of the IowaCare provider network. The division  
17 directs DHS to establish cost sharing for the program by rule  
18 based on a sliding fee schedule and also provides for premium  
19 assistance for those individuals with incomes over 200 and not  
20 exceeding 300 percent of the federal poverty level.

21 The division creates an IowaCare plus trust fund under  
22 the authority of DHS to be used for the IowaCare plus  
23 program. Implementation of the program is contingent upon the  
24 availability of funding.

25 The division amends the current provisions of the IowaCare  
26 program to provide that podiatry services are included in  
27 the benefits covered under the program; to provide for an  
28 expanded provider network including a regional provider  
29 network that utilizes the federally qualified health centers  
30 to provide primary care and is phased-in based on a plan  
31 that targets the most highly underserved areas; to provide  
32 for participation by other private providers and hospitals  
33 to provide primary and specialty care as designated by DHS  
34 and subject to the availability of funds; and to provide  
35 tertiary care at the university of Iowa hospitals and clinics

1 to any IowaCare program member residing in any county in the  
2 state. The division also directs DHS to utilize certified  
3 public expenditures at the university of Iowa hospitals and  
4 clinics to maximize the availability of state funding to  
5 provide necessary access to both local primary and specialty  
6 physician care to IowaCare program members. Following a  
7 determination of the maximum amount of expenditures that can  
8 be claimed within the existing budget neutrality cap, any  
9 federal funds received are to be allocated one-half to the  
10 university of Iowa hospitals and clinics for reimbursement of  
11 physician services to IowaCare members; three-eighths to the  
12 designated regional provider network providers; and one-eighth  
13 for deposit in the nonparticipating provider reimbursement fund  
14 to be used to offset costs incurred for services provided to  
15 IowaCare members. The division eliminates a prohibition for  
16 reimbursement of physician services at the university of Iowa  
17 hospitals and clinics provided to IowaCare program members;  
18 directs DHS to review the costs of medical transportation  
19 provided under the IowaCare program and to submit a report  
20 to the general assembly by December 15, 2010; and directs  
21 the department of public health (DPH) to develop a plan for  
22 coordination of care for individuals with diabetes who receive  
23 care through community health centers, rural health clinics,  
24 free clinics and other members of the Iowa collaborative safety  
25 net provider network as determined by DPH.

26 The division also directs DHS to amend the extension  
27 proposal for the IowaCare program and submit applicable state  
28 plan amendments to allow expansion population members under the  
29 IowaCare program to utilize the additional providers specified  
30 in the division; to access tertiary care at the university of  
31 Iowa hospitals and clinics for any eligible member residing  
32 in any county in the state; and to provide access to other  
33 providers for primary and specialty care, within the budget  
34 neutrality cap and subject to availability of funding.

35 DIVISION II — IOWA INSURANCE INFORMATION EXCHANGE. New

1 Code chapter 514M creates the Iowa insurance information  
2 exchange as a nonprofit corporation under the purview of  
3 the insurance division of the department of commerce. The  
4 stated purposes for creating the exchange are to provide  
5 an information clearinghouse where all Iowans can obtain  
6 information about health care coverage and where the uninsured  
7 can receive assistance regarding health care coverage and to  
8 expand transparency concerning the quality of care and pricing  
9 of health care services.

10 New Code section 514M.4 creates the exchange, specifies  
11 the membership of the seven voting members of the board of  
12 directors, and the ex officio, nonvoting members of the board  
13 which include the commissioner of insurance and the Iowa  
14 Medicaid director or their designees, and four legislators.  
15 The voting members of the board are appointed by the governor,  
16 subject to confirmation by the senate for six-year terms, and  
17 are required to appoint an executive director to supervise the  
18 administrative affairs of the exchange. All licensed carriers  
19 and organized delivery systems in the state providing health  
20 insurance or health care services are members of the exchange.

21 New Code section 514M.5 requires the exchange to submit  
22 a plan of operation to the commissioner of insurance for  
23 approval. The exchange is also required to determine the net  
24 payments received each year and the incurred costs of the  
25 exchange for the year. The net costs may be assessed by the  
26 exchange against all members in proportion to their respective  
27 shares of total health insurance premiums or payments for  
28 subscriber contracts received in Iowa. The exchange may  
29 provide for an initial or interim assessment against such  
30 members to assure the financial capability of the exchange  
31 to meet incurred or estimated operating costs until the next  
32 calendar year is completed. The exchange is required to  
33 collaborate with the commissioner of insurance to assure the  
34 accuracy of the financial data submitted by members and the  
35 accuracy of information regarding the expenses of the exchange.

1 The exchange is subject to oversight by the legislative fiscal  
2 committee of the legislative council and must submit an annual  
3 financial report by April 30 of each year.

4 New Code section 514M.6 specifies the powers and duties  
5 of the exchange to carry out its purposes. The exchange is  
6 required to contract with the department of human services to  
7 make eligibility determinations for public programs.

8 The exchange is also required to establish quality and  
9 affordability standards for three categories of benefits and to  
10 provide information about available public and private health  
11 care coverage, including comparisons of benefits, premiums,  
12 and out-of-pocket costs for each option. The exchange  
13 may establish standards to provide uniform and consistent  
14 information about health care coverage options to facilitate  
15 comparisons and may require each carrier, organized delivery  
16 system, and public program to categorize which of the three  
17 levels of benefits the coverage offered provides. The exchange  
18 may offer counseling to assist Iowans with making an informed  
19 choice when selecting health care coverage.

20 The exchange is required to encourage or develop the use of  
21 common definitions for quality of care and pricing of health  
22 care services and develop and implement methodologies that  
23 provide quality and cost data on health care services and  
24 health care coverage offered in the state that is meaningful to  
25 consumers, patients, and purchasers.

26 The exchange is required to collaborate with other state  
27 agencies, health care providers, members of an organized  
28 consumer-purchaser group, members of the Iowa collaborative  
29 safety net provider network, and carriers and organized  
30 delivery systems to carry out its duties.

31 Under Code section 514M.7 the exchange may adopt  
32 administrative rules under Code chapter 17A to implement the  
33 provisions of the new Code chapter.

34 Code section 514M.8 creates the Iowa insurance information  
35 exchange fund in the state treasury as a separate fund under

1 the control of the exchange with all moneys deposited in the  
2 fund appropriated to the exchange to be used for the purposes  
3 enumerated in new Code chapter 514M.

4 New Code section 514M.10 provides that the implementation  
5 of the new Code chapter is contingent upon the availability  
6 of funding as determined by the commissioner of insurance and  
7 stipulated in administrative rules.